

DEPARTMENT OF TRANSPORTATION

TABLE OF CONTENTS

		NJCFS ACCOUNT NUMBER		PROGRAM		
		FUND	AGY	ORG	APU	PROGRAM
		100	078	6070	xxx	xxxxxxx STATE GRANT -AIRPORT SAFETY FUND
		100	078	6070	xxx	xxxxxxx STATE GRANT -AIRPORT SAFETY FUND
		480	078	6310	xxx	xxxxxxx NJ TRANSIT CORP.  TRANSPORTATION TRUST FUND AUTHORITY (As Amended)
FY85 thru present		480	078	6320	xxx	xxxxxxx STATE AID - 1984 NEW JERSEY TRANS TRUST FUND AUTHORITY ACT (REAUTHORIZED) COUNTY AID
FY85 thru present		480	078	6320	xxx	xxxxxxx MUNICIPAL AID FORMULA AND DISCRETIONARY AID

FY95 thru present	480	078	6320	xxx	xxxxxxx	CENTERS OF PLACE, PEDESTRIAN/SCHOOL SAFETY AND BIKEWAY
FY96 thru present	480	078	6300	xxx	xxxxxxx	ECONOMIC DEVELOPMENT
FY83	535	078	6220	XXX	XXXXXXX	1983 BRIDGE BOND
FY89	549	078	6220	XXX	XXXXXXX	1989 BRIDGE BOND
FY99	572	078	6220	XXX	XXXXXXX	1999 BRIDGE BOND

DEPARTMENT OF TRANSPORTATION

100 078 6070 xxx

STATE GRANT - AIRPORT SAFETY FUND

100 078 6070

STATE GRANT - AIRPORT SAFETY FUND

I. PROGRAM OBJECTIVES

The objective of the State Grant-Airport Safety Fund Program is to provide funds to:

Upgrade safety of public use of general aviation airports.

Provide State assistance to privately owned public use general aviation airports. See New Jersey Administrative Code Chapter 56,16:56-2.1 for the purpose and general policy.

II. PROGRAM PROCEDURES

The State Grant-Airport Safety Fund Program was established by the New Jersey Airport Safety Act of 1983, Assembly Bill 3344, and PL 1983 C.264 (July 11, 1983). See New Jersey Administrative Code Chapter 56,16:56-1.1 to 16:56-19.1.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

See N.J.A.C. Chapter 56, 16:56-2.1 and 16:56-14.1.

Suggested Audit Procedures

- \* Review selected agreements; \*
- Ascertain date of agreement;
- \* Test expenditures and related records; and
- \* Review application and agreement to ascertain that airport is in compliance with regulation.

B. ELIGIBILITY

Compliance Requirement

See N.J.A.C. Chapter 56,16:56-3.1.

Suggested Audit Procedures

- \* Review applications, agreements, and financial records and determine amount and manner in which matching share was provided.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS Compliance Requirement

See N.J.A.C. Chapter 56,16:56-4.1 to 16:56-

8.1. Suggested Audit Procedures

- \* Review agreement to ascertain the matching requirement; and
- \* Review financial records to determine amount and manner in which matching share was provided.

D. REPORTING REQUIREMENTS

Compliance Requirement

See N.J.A.C. Chapter 56,16:56-14.1. The State Aid recipient will annually engage an independent public accountant to perform the single audit of the recipient entity in accord with State of New Jersey Single Audit Policy and the Single Audit Act of 1984 (Federal OMB Circular A-128). Single audit reports submitted in accord with State audit policy will present expenditure activity on Department of Transportation agreements governed by N.J.A.C. Chapter 56 on an individual agreement basis.

Suggested Audit Procedures

- \* Ascertain that each recipient established and maintained adequate accounting records for each project.
- \* Examine contract documents, Statements of Work Performed and Inspection Reports for compliance with the terms of the State agreements and N.J.A.C. chapter 56 et al.

DEPARTMENT OF TRANSPORTATION

480 078 6310 XXX XXXXXX

TRANSPORTATION TRUST FUND  
AUTHORITY ACT OF 1984 (AS  
AMENDED) NJ TRANSIT CORP

GENERAL STATE REQUIREMENTS

Compliance Requirements

The following administrative requirements are applicable to the funds disbursed to New Jersey Transit from the Transportation Trust Fund:

OMB Circular Letter 98-07, (N.J.) Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid;

Hatch Act (5 U.S.C. 1501-1508) and Interdepartmental Personnel Act of 1970 (PL 95-454, Section 4728);

Drug-Free Workplace Act (Public Law 100-690 Title V, Subtitle D, 41 U.S.C. 701 et seq.);

Davis-Bacon Act (Chap. 411, 40 U.S.C. 276A-276A-5);

Civil Rights Act (Age-42 U.S.C. 6101 et seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794);

Single Audit Act of 1984 (As Amended);

OMB Circular A-87 (U.S.), Cost Principles for State and Local Governments;

OMB Circular A-102 (U.S.), Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;

OMB Circular A-133 (U.S.), Audits of State, Local Governments, and Non-Profit Organizations;

All current updates of the above requirements should be implemented timely by the auditor.

Suggested Audit Requirements

- \* Determine that administrative practices are in compliance with laws, regulations, and administrative requirements;
- \* General requirements should be tested for compliance with the requirements established by the Compliance supplement for Single Audits of State and Local Governments, issued by the U.S. Office of Management and Budget.

## I. PROGRAM OBJECTIVES

The objective of the Transportation Trust Fund is to provide payment for the State's share (including State advances with respect to any federal share) of the costs of planning, acquisition, engineering, construction, reconstruction, repair, maintenance and rehabilitation of public transportation projects.

## II. PROGRAM PROCEDURES

State aid is awarded to N.J. Transit in accordance with the criteria established in the Transportation Trust Fund Authority Act (as amended) and the Annual Appropriations Act.

## III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

### A. TYPES OF SERVICES ALLOWED OR UNALLOWED

#### Compliance Requirement

Transportation Trust Fund Authority Act (as amended) (Chap. 21:1B-21.2 and 21.3).

Annual Appropriation Act.

Suggested Audit Procedures

- \* Test transactions and related records including those for the maintenance of public transportation projects and compare to allowable projects and amounts.

### B. ELIGIBILITY

#### Compliance Requirement

Determined by legislation promulgated in the Annual Appropriation Act and the Transportation Trust Fund Authority Act.

Suggested Audit Procedures

- \* None

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

Transportation Trust Fund Authority Act (as amended).

Annual Appropriation Act.

Suggested Audit Procedures

- \* Review legislation and related records to determine if all requirements, if any, are accomplished.

D. REPORTING REQUIREMENTS

Compliance Requirement

Annual independent audit report to be submitted in accordance with OMB Circular Letter 98-07 (N.J.).

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

Any special requirements are to be tested if required by statute or regulation.

Suggested Audit Procedures

- \* Review related statute or regulation to determine if any special tests or provisions are called for, if so, test for compliance.

DEPARTMENT OF TRANSPORTATION

FY85 thru Present	480	078	6320	xxx	xxxxxxx	STATE AID-1984 NEW JERSEY AUTHORITY ACT (REAUTHORIZED) COUNTY AID
FY85 thru Present	480	078	6320	xxx	xxxxxxx	Municipal Aid Formula and Discretionary Aid
FY95 thru Present	480	078	6320	xxx	xxxxxxx	Centers of Place, Pedestrian/School Safety and Bikeway
FY96 thru Present	480	078	6320	xxx	xxxxxxx	Economic Development
FY83	535	078	6220	xxx	xxxxxxx	1983 Bridge Bond
FY89	549	078	6220	xxx	xxxxxxx	1989 Bridge Bond
FY99	572	078	6220	xxx	xxxxxxx	1999 Bridge Bond

## I. PROGRAM OBJECTIVES

The objective of the Local Aid portion of the New Jersey Transportation Trust Fund and the Local Bridge Bond Act is to provide funds and assistance to counties and municipalities to improve the efficiency and effectiveness of the State's transportation system through projects that enhance safety, renew the aging infrastructure and support new transportation initiatives.

## II. PROGRAM PROCEDURES

The Local Aid portion of the New Jersey Transportation Trust Fund was established by the 1984 New Jersey Transportation Trust Fund Authority Act and re-authorized in 1996 and 2000 and the Local Bridge Bond Acts of 1983, 1989 and 1999. See New Jersey Administrative Code Chapter 20A, 16:20A-1.1 to 16:20A-5.1 or Chapter 20B 16:20B-1.1 to 16:20B -5.1, as applicable. The State of New Jersey Department of Transportation State Aid Handbook entitled "Procedures For State Aid To Counties and Municipalities" is updated annually.

## III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

### A. TYPES OF SERVICES ALLOWED OR UNALLOWED

#### Compliance Requirements

State Aid payments of allotted funds are made to the project Sponsor in the form of a grant. See N.J.A.C. Chapter 20A 16:20A-2.1 & Chapter 20B 16:20B-Subchapter 4 for eligible costs.

#### Suggested Audit Procedures

1. Review agreements, as applicable, for allocation amount and state participation in project costs.
2. Review contract documents.
3. Review the legitimacy of the expenditure to the approved project.
4. Examine cost reimbursement request (State Voucher Forms).

### B. Eligibility

#### Compliance Requirement

All counties, Jersey City and Newark may receive a State Aid allotment. Each county will be required to execute one State/County agreement covering the projects in the Annual Transportation Program on forms provided by the State. Jersey City, Newark and each municipality will be required to

execute State/municipal agreements for each project on forms provided by the State. State aid for municipal projects in each county will be allocated according to the formula set forth in the Transportation Trust Fund legislation which gives equal weight to percentage of total State population within a county and percentage of State municipal road mileage within a county. See N.J.A.C. Chapter 20A 16:20A-Subchapter 1 and 2; Chapter 20B 16:20B-Subchapter 1.

Suggested Audit Procedures

None

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirements - in accordance with Form SA96, Resolution, Application and Agreement for State Aid to Counties and Municipalities (as amended)

The State aid recipient is responsible for, but not limited to the following:

- Preparation of contract drawings and supplemental specifications.
- The acquisition of all-necessary right-of-way, easements, slope rights and permits.
- Construction of roadway improvements.
- Monitoring and supervising compliance with all provisions of the agreement.

Suggested Audit Procedures

Review financial records to determine amount and manner in which matching share was provided.

D. REPORTING REQUIREMENTS

Compliance Requirements

The State aid recipient will annually engage an independent public accountant to perform the Single Audit of the recipient entity in accordance with the Single Audit Policy for Recipients of Federal Grants, State Aid Grants and State Aid (Circular Letter 98-07-OMB). For County Aid and Local Bridge Bond

advance payments, the recipient must comply with the State's financial reporting of earnings requirement for grantees in conformity with State of New Jersey OMB Circular Letter No.89-19 and supplemental attachments. See N.J.A.C. Chapter 20A, 16:20A-2.4, 4.1, 4.2 & 5; Chapter 20B, 16:20B-2.2 & Subchapter 3 & 5, for additional reporting requirements.

#### Suggested Audit Procedures

Examine contract documents, statements of work performed and inspection reports for compliance with the terms of the State agreements (SA96, paragraph "f"), and N.J.A.C. Chapters 20A & 20B and Circular Letter 98-07 (OMB) et al.

#### E. Special Tests and Provisions

##### Compliance Requirements

See N.J.A.C. Chapter 20A, 16:20A-3.1 and Chapter 20B, 16:20B-2.1.

#### Suggested Audit Procedures

1. Review required documents.
2. Confirm registration of engineer in the State of New Jersey.